



Committee On Finance

Max Baucus, Chairman

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FINANCE CHAIRMAN FINDS FIRST STEPS, MISSTEPS IN WHITE HOUSE BUDGET FOR FY2008

*Baucus says Children's Health Insurance Program renewal will require more funds,
proposals for clean energy, renewable energy are ripe for cooperation with Congress*

Washington, DC – Senate Finance Committee Chairman Max Baucus (D-Mont.) said today that the President's Fiscal Year 2008 budget takes positive steps toward America's energy independence, but needs additional funding for children's health care coverage and a truer assessment of deficit spending during the next five years. Baucus, whose committee holds jurisdiction over tax policy and entitlements, as well as trade policy, called for cooperation between Congress and the White House to realistically and responsibly fund America's priorities from health care to tax relief.

"In some places this budget shows vision, and in some places the President's eyes are shut tight to this country's fiscal reality. While the budget does address some vital priorities, its omission of war and tax costs shrinks deficits smaller than they are and shows surpluses that don't exist.

"I will work with the President to break our country's dependence on foreign oil and to invest in renewable energy. We should go much further than this budget does to keep kids healthy, to get a handle on health care costs, to increase our economic competitiveness, and to make sure that unpaid taxes are collected to fund America's priorities."

On energy: "The President's budget has a substantial increase in funding for clean energy research and advancement, and I'm ready for the Finance Committee to help promote that goal. I intend to aggressively push tax incentives for clean coal and renewables such as cellulosic ethanol through the Finance Committee this year, and to call again for the creation of a new Advanced Research Projects Agency for Energy – ARPA-E."

On taxes: "I helped to write the 2001 tax cuts, and I would like to see them extended. Exactly what our fiscal situation will allow remains to be seen, and this budget does not make the picture much clearer. This budget also excludes the true cost of ending the alternative minimum tax, which is a far more immediate threat to American families. The Finance Committee will deliver fiscally responsible tax relief to America's families, beginning with the AMT and including the child tax credit, marriage penalty relief, and education incentives as well. I certainly agree that businesses need the R&D tax credit made permanent, to foster innovation and create American jobs.

"Proper IRS funding is essential when it comes to collecting the \$345 billion in taxes owed but unpaid every year. The IRS has increased enforcement in recent years, but the customer service needed to help honest taxpayers file properly and on time has consistently dwindled. I will watch to see the practical effect of the President's FY2008 budget increases in both areas. I don't see many new ideas here for closing the tax gap."

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On health care: “We have a historic opportunity this year to expand health coverage for children and improve health care for the next generation. Simply put, Congress must do more to fund the Children’s Health Insurance Program (CHIP) than the President suggests here. It could take as much as \$15 billion additional simply to maintain CHIP coverage for children already enrolled – but I intend for the Finance Committee to do even more to keep kids healthy.

“The proposed Medicare reductions are more than the President has asked from any previous Congress during his administration. Congress will be looking for Medicare savings too. And when we do, I want all options on the table to do so – including Medicare Advantage. Like Medicare, Medicaid plays a critical role in serving our country’s most vulnerable citizens, and we must not undermine states’ ability to fund services or exchange the safety net for a promise of coverage that may not materialize. I intend for the Finance Committee to take a thoughtful look at ways to save money in Medicare and Medicaid without harming the health of America’s elderly and disadvantaged.

“To truly address Medicare and Medicaid’s long-term fiscal health, we must recognize that the programs are not the main problem – spiraling health care costs are. My health care agenda in the Finance Committee will supplement the search for entitlement savings with efforts to reduce health care costs overall.”

On trade: “The President wants Congress to extend fast-track negotiating authority for trade agreements. This budget should have reflected Congress’s call for a stronger program to promote U.S. exports that will create more jobs here at home, and increased assistance to businesses when trade has negative effects.”

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